

Assembly Bill No. 609

CHAPTER 663

An act to amend Section 31580.2 of, and to repeal Section 31580.3 of, the Government Code, relating to county employees' retirement.

[Approved by Governor September 30, 2010. Filed with
Secretary of State September 30, 2010.]

LEGISLATIVE COUNSEL'S DIGEST

AB 609, Conway. County employees retirement: administrative costs.

The County Employees Retirement Law of 1937 requires a board of retirement, or a board of retirement and the board of investment, with appointed members to annually adopt a budget covering the entire expense of administration of the retirement system and prohibits the expense incurred in any year from exceeding $\frac{18}{100}$ of 1% of the total assets of the retirement system. Existing law provides that expenditures for legal services or costs of litigation are not considered to be a cost of administration of the retirement system. Existing law prohibits expenses incurred in any year for expenditures for computer software and hardware and computer technology consulting services, in support of these products, from exceeding the greater of the sum of $\frac{18}{100}$ of 1% of the total assets of the retirement system plus \$1,000,000 or $\frac{23}{100}$ of 1% of the total assets of the retirement system.

This bill would prohibit expenses for the costs of administration of the retirement system incurred in any year from exceeding the greater of $\frac{21}{100}$ of 1% of the accrued actuarial liability of the retirement system or \$2,000,000, as adjusted annually by a specified annual cost-of-living adjustment. This bill would eliminate the exclusion of expenditures for legal services and costs of litigation from the costs of administration of the retirement system and would, instead, exclude from those costs of administration expenditures for computer software and hardware and computer technology consulting services in support of these products.

The people of the State of California do enact as follows:

SECTION 1. Section 31580.2 of the Government Code is amended to read:

31580.2. (a) In counties in which the board of retirement, or the board of retirement and the board of investment, have appointed personnel pursuant to Section 31522.1, 31522.5, or 31522.7, the respective board or boards shall annually adopt a budget covering the entire expense of administration of the retirement system which expense shall be charged against the earnings

of the retirement fund. The expense incurred in any year may not exceed the greater of either of the following:

(1) Twenty-one hundredths of 1 percent of the accrued actuarial liability of the retirement system.

(2) Two million dollars (\$2,000,000), as adjusted annually by the amount of the annual cost-of-living adjustment computed in accordance with Article 16.5 (commencing with Section 31870).

(b) Expenditures for computer software, computer hardware, and computer technology consulting services in support of these computer products shall not be considered a cost of administration of the retirement system for purposes of this section.

SEC. 2. Section 31580.3 of the Government Code is repealed.